From:
 Halasz, Stephen (Austin,TX-US)

 To:
 Gary Moore/R6/USEPA/US@EPA

Cc: Richard Bergner
Subject: Falcon update
Date: 06/17/2011 09:20 AM

Gary,

I'll plan on sending you an update each week on Friday, will an email be sufficient or would you like a written report?

All the liquid waste has been transferred from Tanks 17 to 24 into Tank 30. For the last two days we have been pumping from Tank 10 into Tank 30. Last month when we gauged the tanks we were unable to get a liquid volume on Tank 10 due to the sight gauges not working on the tank. Since we began pumping we have estimated that Tank 10 contains approximately 400,000 gallons of water with an inch or two of oil, which is substantially more than we anticpated. We began picking up some oil so we're renting a frac tank to store the oil. We've obtained a sample and depending on the results we're hoping that Mid-States can recycle the oil once we separate it from the water.

We've contacted the TCEQ and have agreed on a format and the requirements for the land application permit. We anticipate that the permit will take approximately one month to complete.

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